

Subject: Re: Private Sector Candidates for Location in the North Side Land Use Plan Area - Note to Myself

From: gabriel sermeno <gabriel.sermenolacity.org>

Date: 03/03/2011 04:49 PM

To: Donald Duckworth <duckworth.donald@gmail.com>

Don,

I am about to send a blast email but wanted to let you know that tomorrow will be my last day with the Mayor's Office. I have accepted a position with the State and Local Tax Group at Ernst and Young.

I am excited at the new chapter in my career but will definitely miss the friends and colleagues that I have met while here at City Hall. When I get settled in at my new office, I'll be sure to send my new contact information.

It was a pleasure working with you and I hope our paths will cross again in the future.

gabe

Gabriel Sermenol
Office of Mayor Antonio R. Villaraigosa
Office of Economic and Business Policy

200 N. Spring Street, 13th Floor
Los Angeles CA, 90012
Direct: (213) 978-0616
Fax: (213) 978-0780

<http://www.losangelesworks.org/index.cfm>

On Thu, Feb 24, 2011 at 4:56 AM, Donald Duckworth
<duckworth.donald@gmail.com> wrote:

One of the difficulties we have in identifying private sector candidates that provide well paying jobs and serve as economic drivers for the North Side LAWA area is the City's "unitary business license tax," which taxes all business located within the City based upon total company-wide gross receipts. This structure tends to drive businesses across the City's borders to, for example, the Cities of El Segundo, Burbank, Glendale, and others. I believe the the headquarters of Legal Zoom just relocated to Texas at least in part because of their inability to correct this dysfunction. I think there are many examples of this phenomena at work; it has been an essential element of the successful

economic development programs of all of these neighboring municipalities.

The North Side Land Use Plan might provide for the desirable corporate users the City needs, but that is an empty promise given the unitary business license tax structure.

I don't know if a carve-out from these provisions is politically or practically feasible for only the North Side lands. The City has long recognized the problem and been unable to correct it.

All that may leave Westchester to be dependent upon public sector candidates that provide well paying jobs that serve as economic drivers for the North Side LAWA area. The historic lesson there seems to be that such adverse impact correcting investments have never commanded any priority from the City or LAWA. They just never get done, which is why the North Side area is still vacant 35 years after it was set-aside in the A.C. Martin Plan. Our challenge therefore seems to be addressed only by demanding the mitigation be provided before the public agencies spend all of their money on airport improvements / construction. Otherwise, Westchester ends up with another empty promise.